

MTW YEAR 7

# Accomplishments Report

April 1, 2007 - March 31, 2008



Philadelphia Housing Authority  
Building Beyond Expectations

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# Accomplishments Introduction

## A SUMMARY OF THE EXTENSIVE INITIATIVES UNDERTAKEN AND ACCOMPLISHMENTS ACHIEVED BY PHA

This is the Seventh Annual Accomplishments Report published by the Philadelphia Housing Authority (PHA) under the Moving To Work (MTW) Demonstration Program. PHA's participation in the MTW Program has been a critical ingredient in its ambitious and successful ten-year program to transform and revitalize Philadelphia's public housing program, create affordable homeownership opportunities, and promote resident economic self-sufficiency. PHA's existing MTW agreement expired on March 31, 2008; however, PHA is

actively seeking a new agreement, which would allow this enormously effective program to continue and to achieve its full potential.

The Annual Accomplishments Report serves as the introduction to the Year Seven MTW Annual Report. It provides a summary of the extensive initiatives undertaken and the accomplishments achieved by PHA for the one-year period ending March 31, 2008.



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Revenue Sources	MTW Yr. 6	MTW Yr. 7
Dwelling Rental Income	\$19,426,341	\$19,000,000
Interest Income	767,168	1,427,601

Sources and Amounts of Funding  
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# Executive Director's Perspective

“We are doing everything we can to urge Congress to provide adequate funding for public housing.”

“PHA’s 84,000 residents are some of the most vulnerable members of our community. Ongoing federal budget cuts directly impact their lives.”

“PHA has proven that investments in public housing have a positive impact on local housing values.”

“We are working both harder and smarter at PHA.”

PHA’s Executive Director, Carl R. Greene described the issue as one requiring national attention. “We are doing everything we can in concert with our residents and local elected officials to urge Congress and HUD to provide adequate funding for the public housing and the Housing Choice Voucher programs,” said Greene. “PHA’s 84,000 residents are some of the most vulnerable members of our community - the frail elderly, people with disabilities and families with children. Ongoing federal budget cuts directly impact their lives,” said Greene. “At the same time, federal disinvestment in public housing inevitably will have a destabilizing effect on the neighborhoods surrounding public housing. PHA has proven that investments in public housing have a positive impact on local housing values. We can not allow these hard fought improvements to be reversed.”

While funding cutbacks have presented considerable operational challenges, as in prior years, PHA has risen to the challenge. Executive Director Greene believes that long-term investments in employee training and technology have been an essential component of PHA’s efforts to achieve excellence in the context of dwindling resources. “When I started my tenure in Philadelphia, PHA employed 2,500 employees,” said Greene. “Ten years later we

have fewer than 1,200 employees doing basically the same amount of work. The initiatives PHA has implemented to improve the overall quality of the workforce through extensive training are now paying dividends. We are working both harder and smarter at PHA. Our industry-leading management trainee program in cooperation with local universities has also been an invaluable source of fresh, energetic talent.”

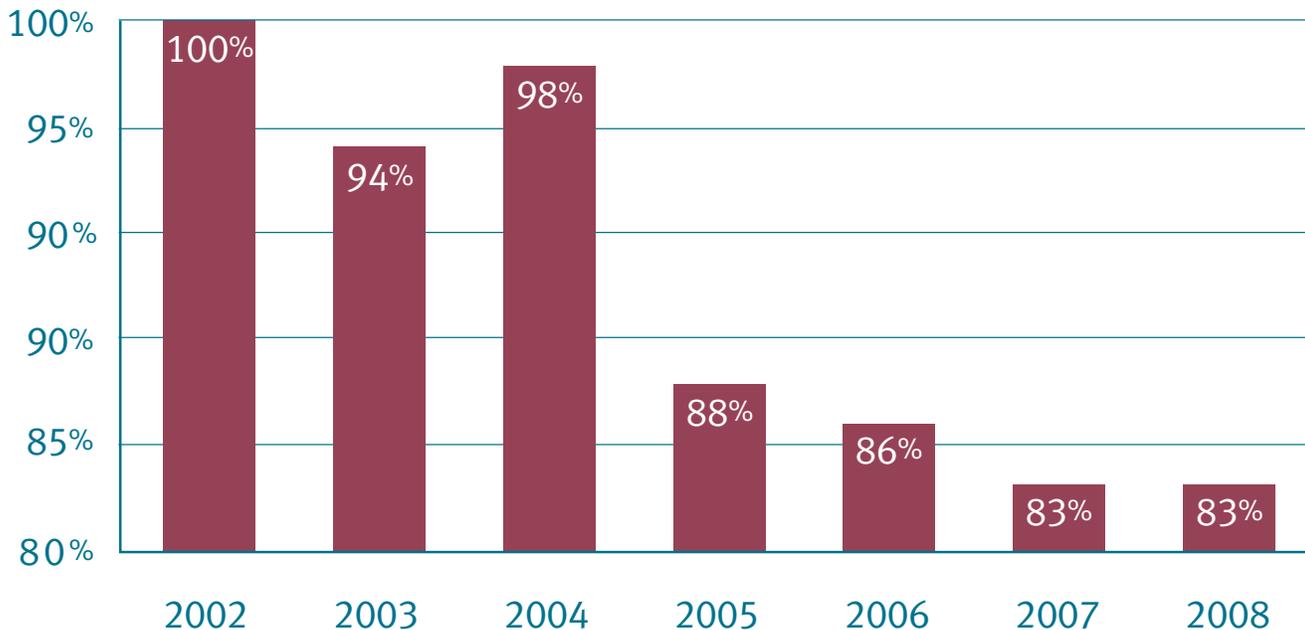
Mr. Greene also cited new initiatives focusing on performance management and quality assurance as important factors in PHA’s ability to temper the impact of funding cuts. “Over the past year, PHA implemented a comprehensive Performance Management Initiative designed to carefully track management and maintenance operations at the individual property level,” said Greene. “Cross-functional teams are now responsible for monitoring site conditions, identifying problem areas, and supporting local Asset Managers in addressing these problems. These activities have resulted in overall increases to our work order turnaround time, rent collections and other management indicators.”



A summary of major accomplishments organized by Strategic Operating Plan goal area follows. Among the many highlights of the past year were the commencement of construction at Nellie Reynolds Gardens, completion of 155 rental units at Ludlow and Marshall Shepherd Village, completion of 28 homeownership units at Schuylkill Falls, sale of 112 affordable homes, and securing more than \$41 million in new private equity, state and local resources to support new development activities. While these and other major accomplishments were achieved, PHA's efforts have been hampered by ongoing reductions in federal support for public housing, which, over the past year, was pro-rated at approximately 83% of actual funding need. The implications of reduced funding levels are significant, resulting in large-scale staff reductions as reported in the previous Accomplishments Report and ongoing challenges in meeting PHA's service delivery goals.

## Summary of Major Accomplishments

### % OF FULL OPERATING FUNDING PROVIDED BY HUD



# Strategic Operating Plan

## MORE HOUSEHOLDS / FEWER EMPLOYEES

PHA has grown increasingly efficient. In 2000, we had one employee for every 7.4 households. As of March 31, 2008, we had one employee for every 26.4 households.



All MTW activities are incorporated into PHA's comprehensive, agency-wide Strategic Operating Plan, which provides a detailed "blueprint" for agency goals, objectives and tasks in every major area of agency operations. The Strategic Operating Plan is regularly updated to report progress and reflect new agency initiatives including those undertaken as part of the MTW Demonstration Program. PHA utilizes industry standard project management system to track and report on Strategic Operating Plan progress.

To ensure continuous progress in each goal area, PHA convenes regular inter-departmental

goal meetings for each of the nine goals. The goal meetings are working sessions that provide an opportunity for staff to work on key objectives, address operational challenges, and identify solutions to strategic plan tasks. In addition to goal meetings, PHA established a Leadership Council which meets weekly to review strategic plan progress and to identify and resolve obstacles to achieving all identified goals. Finally site level goals and objectives are monitored and supported by cross-functional teams as part of the Performance Management Initiative.

The Accomplishments Report for 2007-2008 highlights and summarizes the accomplishments achieved by PHA under each of the nine Strategic Operating Plan goals during the fiscal year from April 1, 2007 through March 31, 2008.



PHA's accomplishments were acknowledged by others, including Multifamily Executive magazine, which awarded its "Project of the Year" designation to the Martin Luther King, Jr. development. PHA's efforts to promote a "smart growth" neighborhood at MLK were also acknowledged by the Pennsylvania Environmental Council. The Pennsylvania Association of Housing and Redevelopment Officials awarded PHA a Certificate of Achievement in recognition of its outstanding efforts to reduce homelessness through the Blueprint Program. Finally, the Apartment Association of Greater Philadelphia recognized Emlen Arms, Gladys B. Jacobs and Germantown House with "Best in Apartment Living" awards.

## Acknowledgment

**MERIT AFFORDABLE**

### Martin Luther King Plaza

Philadelphia



**T**he Philadelphia Housing Authority, determined to revitalize an ailing community, demolished four public housing towers and developed 90 townhomes on that and other infill sites within the neighborhood. A \$25.2 million Hope IV grant contributed to the development of the three- and four-bedroom townhomes, designed by Silver Spring, Md.-based Torti Gallas & Partners. The new brick façades complement the neighborhood—and the best result? Crime in the neighborhood has gone down.



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# Strategic Operating Plan Goal 1

## *Achieve Excellence In Property Management*

### Staff Training



Comprehensive staff training curricula were developed and implemented.

### Major highlights for this goal area during MTW Year Seven include:

- Lease-up activities commenced at Ludlow Scattered Sites (75 units) and Marshall Shepard Village (80 units.)
- The overall number of families housed under the “Blueprint to End Homelessness” program increased to 425 including 375 public housing units and 50 Housing Choice Vouchers.
- Supported site operations through Performance Management Initiative, including implementation of deferred maintenance activities.
- Sparkle Plus initiatives were undertaken at Greater Grays Ferry Estates and other PAPMC sites.

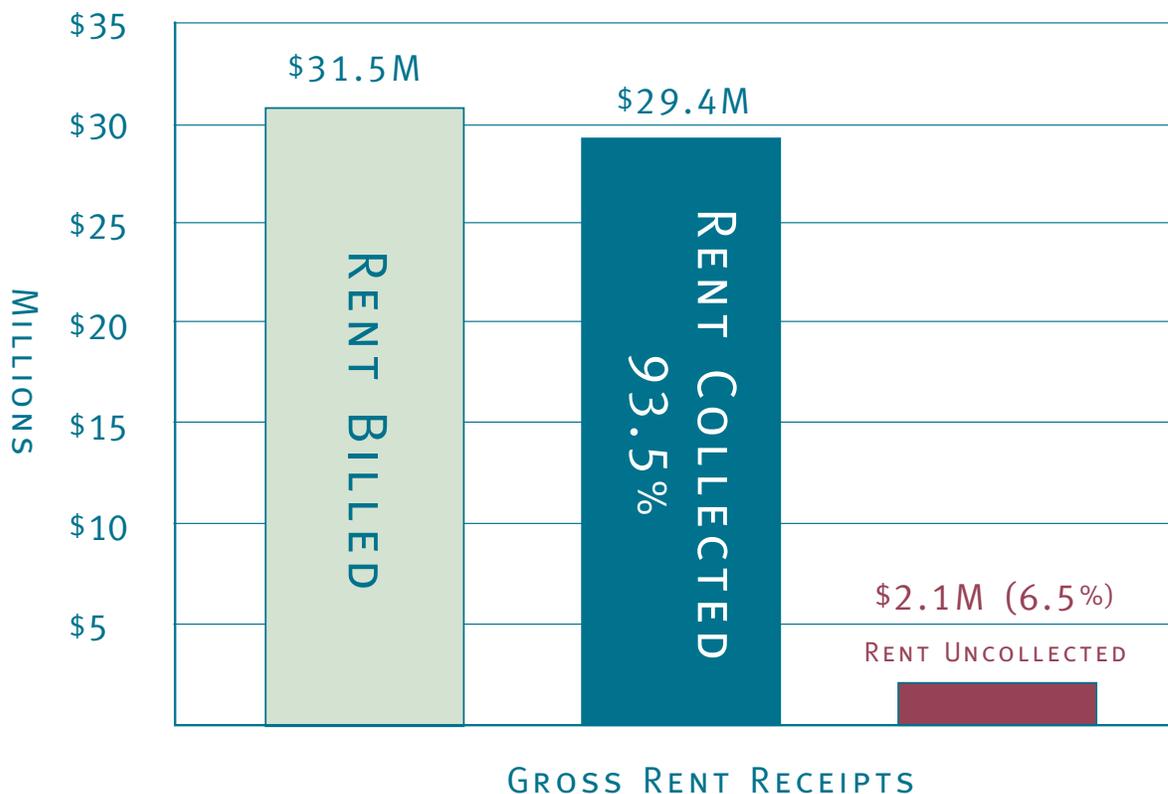
### Over the course of the year, PHA was able to maintain a high level of productivity on key property management indicators:

- PHA collected 93.46% of billed rent, up from 93.02% last year. Of approximately \$31.46 million in rent billed, PHA successfully collected \$29.4 million. This represents an increase of approximately \$984,150 over the prior year. This performance level was aided by the various communication activities undertaken as part of the Performance Management initiative, including Rent Reminder calendars sent to all residents.
- PHA achieved overall occupancy of 13,632 households in the public housing program (including scattered site, conventional, PAPMC and AME sites).
- Work order response time for emergency service orders remained within 72 hours. Average completion time for routine service orders was 44 days.
- Over 97% of PHA occupied units were inspected using the UPCS standards during the year.
- Over 99% of scheduled recertifications were completed.

Performance  
Management

PHA currently owns and manages a total of 15,789 housing units in 31 conventional public housing developments, five scattered site management areas, ten alternatively managed developments and 17 newly renovated or constructed Low Income Housing Tax Credit sites. PHA's portfolio includes units managed by its subsidiary, Philadelphia Asset and Property Management Corporation (PAPMC). Unit counts will change in the coming months to reflect new development (Nellie Reynolds, Warnock Street, Marshall Shepherd Village), disposition and demolition activity (Mantua, partial Liddonfield, partial Abbotsford).

RENT COLLECTION



## Strategic Operating Plan Goal 2

### *Achieve Excellence in The Management Of The Housing Choice Voucher Program And Enforce Program Compliance*

#### HCV Inspections



100% of all HCV scheduled inspections were completed. Units are inspected before occupancy and then regularly throughout the term of the lease.

#### Major accomplishments in the area of HCV operations during MTW Year Seven include:

- PHA met 100% of its MTW leasing goals.
- 100% of scheduled recertifications were completed.
- The HCV Homeownership Program expanded and currently serves 217 first time homebuyers. Fifty-nine of these home sales occurred during the past year, including 18 to families with disabilities. Some of the homeowners purchased new units at PHA redevelopment sites, while others found quality existing housing in Philadelphia neighborhoods.
- Through extensive resident self-sufficiency efforts, 603 previous HCV program participants have “graduated” from the program during the MTW demonstration. This represents the point when household income is sufficient to pay all rental expenses without a subsidy.
- PHA continued to implement the Enhanced Tenant Responsibility Training program requirement for all HCV program participants.
- A total of 238 formerly homeless families were assisted in the past year through the Blueprint to End Homelessness program.
- PHA Investigations conducted 834 investigations in response to community and staff calls.
- File audits were completed on all files using PHA’s CRM Quality Control module.
- HCV participants who are subject to the seven-year time limit as part of MTW continued to work with PHA to develop a Family Economic Development Action Plan (FEDAP). The FEDAP helps establish self-sufficiency goals for the entire family in order to assist them in improving their overall economic status. PHA staff collaborates with local community partners to provide employment, training and other supportive services to HCV program participants.





### Housing Fairs

Efforts to improve the quality and expand the geographic distribution of housing units available to HCV participants were implemented during the past year. These efforts included conducting Housing Fairs, briefing sessions and distribution of information materials to program participants. 514 HCV participants and 259 property owners participated in the Housing Fairs, which resulted in 300 housing placements.

## Housing Choice Voucher

PHA operates one of the country's largest Housing Choice Voucher (HCV) programs, which last year served approximately 16,390 Philadelphia households. In contrast to the PHA-owned housing programs, the HCV program allows PHA to enter into contracts with private property owners so that rents are affordable to low-income households. In these efforts, PHA collaborates with a broad range of community actors, developers and government agencies to use HCV resources to accelerate and support neighborhood revitalization.

HCV resources are also allocated to assisting low-income rentals to become homeowners.

Eligible residents, who must have an employment history unless they are disabled or elderly, are provided with credit and homebuyer counseling that enables them to find and secure permanent homes in the community. PHA's HCV homeownership initiative represents one of the most successful programs in the country.

PHA continued to operate community site offices, which provided neighborhood residents with convenient access to conduct business and contact with their assigned Service Representatives.



### Unit Based Leasing and Development Program

A total of 929 units were funded under the Unit Based Leasing and Development Program.

# Strategic Operating Plan Goal 3

## *Develop Affordable Quality Housing that Supports Balanced Communities*

### Nellie Reynolds Gardens



Construction began on a \$22 million, 64-unit senior building at Nellie Reynolds Garden. The site will include approximately 12,000 square feet of commercial office space.

### Major highlights for this goal area during MTW Year Seven include:

- PHA continued to effectively administer capital budgets of over \$1.2 billion. This includes funding for recently completed redevelopment, new construction and modernization as well as projects scheduled in the coming years. PHA's track record as a developer now totals 26 projects including two new transactions this year: Mantua and Warnock Street Phase II.
- An additional \$41.8 million in leveraged financing was raised during the year, including \$6,000,000 in state funds, \$12.6 million in bond funds, \$22.8 million in LIHTC private equity and \$400,000 in local funds.
- PHA closed on a total of \$33.5 million in real estate transactions over the past year, involving the creation of 64 rental and 50 affordable homeownership units. The sites that closed included Nellie Reynolds Gardens and Ludlow Homeownership.
- Master planning and property acquisition activities were completed for the \$46.2 million Warnock Street Phase 1 and 2.
- Extensive progress was made at the Lucien E. Blackwell Homes project including the sale of 50 off-site homeownership units and completion of construction of 80 scattered site units at the Marshall Shepard Village. As part of the Angela Court Phase II component of LEB, construction began on 54 senior rental units.
- At the \$83 million MLK Plaza development, PHA submitted a revised revitalization plan for development of green space and 19 affordable homeownership units.
- At Liddonfield, one of PHA's most distressed sites, PHA issued an RFP to select a Master Developer for the site and is currently evaluating responses.
- Under the \$50 million Ludlow Scattered Site HOPE VI development, PHA completed construction of 75 Energy Star certified units and began construction of 50 affordable homeownership units.



This Strategic Operating Goal encompasses the redevelopment of existing PHA communities as well as the implementation of new development initiatives that complement Philadelphia's neighborhood revitalization efforts. MTW funding flexibility has allowed PHA to leverage capital dollars in support of public housing and neighborhood revitalization.

PHA redevelopment and neighborhood revitalization initiatives have transformed Philadelphia's neighborhoods. The economic value and leveraging effect generated by these initiatives have been carefully documented in the "Creating Wealth" study discussed in the Year Five Accomplishments Report. That study documented the extent to which real estate values in neighborhoods adjacent to PHA redevelopment projects have increased at levels substantially higher than in other parts of the City.

- At Greater Grays Ferry Estates, PHA completed construction of a 32,000 sq. ft. building on the site that now serves as PHA offices, including multi-purpose and training areas.
- HVAC upgrades were completed at Queen Lane, West Park, Emlen Arms and the John F. Street Community Center.
- As part of the \$50 million Falls Ridge development, PHA completed and sold 28 homeownership units. Approximately 10% of the market-rate homeownership units developed by a private developer have settled.
- PHA submitted eight disposition applications during this past year to permit the transfer of 1.063 scattered site properties. Along with other properties assembled by PHA affiliates, and private purchasers/developers, they will be used for sales to enhance PHA's scattered site initiative, transfer to PHA affiliates for developments including 64 senior and 50 family rentals, and transfer to community development corporations and private entities for development of approximately 110 affordable rental and homeownership units.
- Finally, PHA undertook a wide range of master-planning efforts in neighborhoods adjacent to or near PHA developments including Abbotsford, Mill Creek Extension, Strawberry Mansion, Mantua Hall and others.

## Rebuilding Neighborhoods



At Mantua, two Tax Credit applications were submitted and master-planning activities completed for a 101-unit development with an estimated cost of \$31 million.

# Strategic Operating Plan Goal 4

## *Implement Public Safety Programs That Promote the Well-Being Of Our Neighborhoods and the Accountability of Program Participants*



Upgrades and installations of digital security equipment were completed during this period at Wilson Park Community Center, Greater Grays Ferry, John Street Community Center and the Bartram Warehouse.

### Key public safety accomplishments and highlights from MTW Year Seven include:

- PHA formed a safety committee which was certified by the Commonwealth of PA. This certification entitles PHA to up to 5% reduction on its Workers' Compensation Program costs. This reduction could translate into approximately \$6 million in annual Workers' Compensation Program cost reduction.
- While Philadelphia as a whole continues to experience high crime rates, reported crimes for PHA developments actually decreased over the past year. The level of Part I crimes, which encompasses the most serious and violent crime categories, decreased by 10.7% at PHA developments.
- PHA continued to work in partnership with the Philadelphia Police Department and other federal and state law enforcement agencies, including Homeland Security. Weekly COMSTAT meetings are held between the PHA Police Department Chief and the Philadelphia Police Department management to review crime statistics and identify joint strategies. In addition, the PHA Police Chief and the Philadelphia Police Commissioner meet bi-weekly to review issues and strategies.
- PHA Police Department staff has conducted over 12,000 criminal record checks as required by federal and local policy. This process helps to strengthen the fabric of Philadelphia's neighborhoods by screening out serious criminal offenders from participation in the public housing and HCV programs.
- As part of its collaboration with local law enforcement, PHA continued operation of a voucher program to assist victims of and witnesses to violent crime identified by the District Attorney's office.
- PHA Police continued to help support the Citizens Crime Commission, including the Anonymous TIP Line. This collaboration helped to solve the burglary at the Bartram Computer Center, which involved the theft of 15 computers used by residents.
- PHA continued to provide enhanced Tenant Responsibility MTW Training. As part of its local leased-housing MTW program initiative, PHA requires all Housing Choice Voucher Program participants to participate in Tenant Responsibility Training at both the initial lease-up and at every recertification period. This effort helps improve residents' understanding of their roles and responsibilities as good neighbors and PHA program participants.





## Public Safety Programs

PHA's public safety focus under Strategic Operating Plan Goal 4 encompasses management of security for all PHA housing communities, offices and other facilities. In addition, PHA provides a range of public safety related services, including support for resident crime prevention efforts, investigation of complaints, coordination of lease compliance activity, criminal records checks and other critical task. These services include management of private security contracts that provide security at 11 senior developments, three family developments, five HCV site offices, one scattered site office and four administrative offices.

Progress in the area of public safety was made during Year Seven in spite of reduced federal funding.



PHAPD continued to operate the Gang Resistance Education and Training (GREAT) program. To date, the program has helped teach 1,886 PHA youths to overcome peer pressure regarding drug use and learn conflict resolution skills. The 13-week Summer Camp component of the program has served 601 youth and 92 adults.

# Strategic Operating Plan Goal 5

## *Engage Other Institutions to Leverage Resources and Assist In Promoting Economic Enhancement and Support Services for PHA Residents*



PHA's Communication Department supported and enhanced these efforts through community events, media spots and publications including the successful "PHA Experience" quarterly resident newspaper. These efforts are designed to promote resident awareness of community opportunities, to promote positive role models, to inform residents of PHA policy issues, and to strengthen and reshape PHA's image in the larger community.

### Major accomplishments related to this goal area through MTW Year Seven include:

- PHA's groundbreaking affordable homeownership program continued to grow during the past year. To date, the Home Sales Department has sold 879 homes, of which 112 took place in Year Seven.
- As part of the home sales activity, PHA expanded its HCV Homeownership Program to 217 homes, including 59 new homeowners in the past year. Eighteen of these new homeowners are families with disabilities.
- Under the Section 5(h) Scattered Site homeownership program, an overall total of 118 existing PHA units have been sold to date to existing public housing residents.
- More than 1,465 low and moderate-income households participated in PHA sponsored first-time homebuyer workshops over the past year. PHA has also established working partnerships with 27 certified housing counseling agencies and many major regional banks including Wachovia, Bank of America, Citizens, Commerce and Sovereign Banks.
- PHA continued to implement a Resident Mortgage Assistance Program (RMAP) comprehensive benefit package to assist residents in achieving homeownership by providing closing cost assistance, writing down the cost of the home and providing free financial counseling.
- PHA placed residents in jobs through the Section 3 program. This program, which requires PHA contractors to hire qualified PHA residents for new positions, produced 154 jobs over the past year. PHA contractors continue to fill their workforce needs with qualified PHA residents, who are often graduates of the Pre-Apprenticeship Program.
- Fifty-four residents enrolled in the Certified Nursing Assistant (CNA) program over the past year, bringing the six-year total to 998 residents. CNA graduates have a 90% employment rate. All graduates are employable as state-certified nursing assistants.
- Seventy-eight residents enrolled and graduated from the Pharmacy Technician program over the past year, for a six-year total of 377 residents. Pharmacy Technician graduates have a 90% employment rate. All graduates are eligible to sit for the Pennsylvania State Certification and may secure employment as Pharmacy Technicians.
- Thirty-eight residents enrolled and graduated from the Medical Billing Program this year, for an overall total of 252 graduates. Medical Billing graduates have a 92% employment rate. Graduates may secure employment as Medical Billing Clerks.
- The Mercy Health LIFE Program, which provides comprehensive health care services to those who are nursing home eligible, continued to operate at the Greater Grays Ferry Estates. A second LIFE center, operated by New Cortland, operates at Germantown House. PHA's Eldercare Initiative implemented a "virtual" One-Stop Shop for services; access to a wide array of senior and disabled services is only a phone call away.



Strategic Operating Plan Goal 5 incorporates the numerous programs and activities undertaken by PHA and its network of community partners to promote resident economic self-sufficiency, encourage the healthy development of children, support seniors and people with disabilities, and maximize resident potential for independent living.

Programs under this goal area include affordable homeownership, youth and senior programs, employment training and job placement initiatives. Because the scope of need among PHA residents is so great, PHA cannot do this job alone. Therefore, central to PHA's approach is leveraging resources, collaborating with resident leadership, and partnering with qualified agencies and institutions to bring the best available program services to PHA residents.

Through the non-profit Tenant Support Services Inc. (TSSI), PHA expanded efforts to involve public housing and other community residents in improving PHA communities. TSSI is an integral partner in all of PHA's service planning and implementation initiatives.

- Four editions of the PHA Experience newspaper were published, keeping residents informed about a wide range of issue and opportunities.
- PHA has expanded the number and variety of programs available to residents by incorporating the following Community Partner programs:
  - Educational Data Systems Inc, (EDSI) provides Supported Work, Job Search, Job Placement, Community Service and Job Retention services.
  - Management Environmental Technologies, Inc (MET) offers Job Training, Youth Development, Cultural Awareness, Small Business Development and Neighborhood Improvement programs.
  - Creative Urban Educational Systems Medical Billing - students receive training in technical ICD-9CM coding, CPT data processing and reimbursement procedures. They generate reports for patient day sheets, procedure ledgers, patient billing cycles and patient statements using standard Medisoft software.
  - The Enterprise Center Self Employment Program offers classes, individualized coaching, and a professional and nurturing environment, allowing students to gain valuable, marketable skills and the resources to start a business. By the end of the program, students will be prepared to begin their own business venture.

## Economic Enhancements



New Wave Resources Inc Customer Service - 16-week course provides training for careers in hotels, restaurants, and food service at schools, financial services, airlines, personal care facilities, and retail.

# Strategic Operating Plan Goal 5

## Continued

### Senior Programs

PHA has a number of senior developments along with programs specifically designed to provide services for senior residents. PHA is presently developing a comprehensive program to provide enhanced supportive living services and options for seniors under programs administered by the Pennsylvania Department of Public Welfare and the Pennsylvania Department of Aging. Working cooperatively with Health Plan Organization partners, PHA has negotiated a successful partnership with Pfizer, the nation's leading pharmaceutical firm, to provide health and fitness and advocacy programming for senior and disabled customers.

- Community College of Philadelphia's Administrative Assistant Job Readiness Program (132 hours) prepares students to serve as administrative assistants by providing training in the areas of life skills, customer service, computer use, workplace etiquette, filing, job searching and interviewing.
  - Opportunities Industrialization Corporation, Inc, (OIC) - Provides Hospitality Training in the areas of Culinary Arts, Guest Services, Front Office Procedure, and/or Travel Tourism.
  - Community College of Philadelphia's Financial Services Job Readiness Program (120 hours) is designed to prepare students for jobs in the financial services industry with a focus on customer service and clerical skills development. This program includes life skills, math skills, accounting skills, customer service, computer skills, workplace etiquette, and job search and interviewing skills.
  - New Wave Resources Inc Customer Service - 16-week course provides training for careers in hotels, restaurants, and food service at schools, financial services, airlines, personal care facilities, and retail.
  - New Wave Resources Inc Commercial Drivers License - 16-week course (130 hours) provides training to drive commercial vehicles such as trucks, buses, and ambulances. Upon successful completion, students can obtain one of two types of commercial drivers licenses, Class A (Tractor Trainer) or Class B (small trucks and buses).
- PHA expanded its efforts to promote healthy alternatives and educational attainment for youth, serving over 2,500 youth through various programs. PHA has created partnerships with nine Family Centers, two Cultural Arts organizations, eight Community-Based Organizations and the Explorers of the Boy Scouts of America. The Skills for Life program has produced an impressive 89% success rate based on students who matriculate to the next grade level. PHA was awarded a grant from the Philadelphia Workforce Investment Board and the Philadelphia Youth Council to serve 100 youth in the Experiential and College and Career Exposure Program.
  - As part of PHA's Foundation Strategy, Tenant Support Services in partnership with the Philadelphia Housing Authority was awarded \$150,000 from the Wachovia Foundation to hire a coordinator to initiate the program delivery phase of the Grays Ferry revitalization project. TSSI launched the South Philadelphia After-school Recreation Center (SPARC) with services provided by the Boys and Girls Clubs of Philadelphia, designed to promote healthy living, support academic achievement and leadership skills for area youth. The SPARC provides the youth with access to an exercise room, arts and crafts room with kiln, recording studio, dance studio, computer lab, classrooms, commercial kitchen and a gym/multipurpose room.
  - PHA served over 58,000 meals to more than 9,000 low-income children at 26 PHA sites as part of its Summer Food Service Program.
  - Transportation services for shopping, medical care and other needs were provided to approximately 1,900 seniors.



More than 200 low-income children now have a great new place to learn and have fun after school, thanks to a historic partnership between the Philadelphia Housing Authority and the Boys & Girls Clubs (BGCP) of Philadelphia. The BGCP provides programs and activities at PHA's two newest community centers, Wilson Park in South Philadelphia at the South Philadelphia After-school Recreation Center (SPARC) and in North Philadelphia in the John F. Street Community Center. Both locations offer programs for 1st through 5th graders from 3 p.m. to 6 p.m., and for 12-18 year olds from 6 p.m. to 8 p.m., Monday through Friday. Activities at the centers focus on five core areas: education and career development; character and leadership development, health and life skills; the arts; fitness and recreation. There is no charge to families for their children's participation in the BGCP programs at the PHA locations. BGCP obtained foundation and Department of Juvenile Justice grants in cooperation with HUD to pay for this first year of program operation, while PHA covers the cost of providing and maintaining the community centers.

## Support Services



- PHA continued to operate the Pre-Apprenticeship Training Program in partnership with the building trade unions. As of September 30, 2007, a total of 528 residents graduated from the Pre-Apprenticeship Building, Maintenance and Construction Training Program, of which 42 graduated over the past year. Two hundred seventy-nine of these graduates entered the construction trades. These jobs are positions at union scale wages with benefits, resulting from certified apprenticeships in the building and construction trades program and PHA's new partnership with industrial employment opportunities. In addition, PHA has formed new partnerships to provide industrial employment opportunities, at businesses such as Aker Shipyard. Twenty graduates have entered industrial employment.



The marketplace has consistently validated the quality and affordability of PHA homes. At Greater Grays Ferry, 123 homes were sold. At Martin Luther King Plaza, all 90 Phase I and II homes were sold. At Ludlow, 41 of the 50 homes were sold. To date, all 65 homes in Phases I and II at Lucien E. Blackwell have sold out. In Phase III, 32 sales have occurred.

# Strategic Operating Plan Goal 6

## *Improve the Productivity and Cost Effectiveness of PHA's Operations*



Designated field staff were provided with new tools to promote efficiency with the rollout of wireless laptop computers that allow remote access to all PHA systems. A secure connection to PHA utilizing VPN connectivity allows staff to confidentially process tenant and property information as if they were at their office desktop.

### **Accomplishments related to Strategic Operating Plan Goal 6 in MTW Year Seven included:**

- As previously noted, PHA implemented a comprehensive Performance Management Initiative over the past year. Through this program, PHA leverages cross-functional teams of staff in support of site-level improvement programs. The program has resulted in improvements of rent collections and work order performance.
- A wide array of energy-conservation initiatives took place, including replacement of 1,035 inefficient commodes with low-water usage models. This is estimated to save \$ 215,000 per year.
- An energy analysis of 4,000 units was conducted, achieving estimated cost savings of \$500,000.
- In response to the need to increase productivity across the board, PHA continued implementation of an agency-wide teambuilding initiative.
- Proactive cost containment and service monitoring allowed for the restructuring of communication and data-lines reductions. Many of the services for lines were combined with other active services or were eliminated from inventory. Many of the field telephone switches were upgraded to handle Voice Over Internet Protocol (VOIP) technology. All existing switches with these features were upgraded to support updated infrastructure.
- PHA implemented an on-line, automated Non-Represented Annual Performance Appraisal system and related Mid-Year Self Assessment and Probationary Performance Evaluation tools. This system provides continuous bi-directional feedback and communication. The annual appraisal, combined with the mid-year self-assessment ratings and probationary performance evaluations for those employees placed into a new position, provides management with a systematic tool to track performance improvements and declines.
- PHA implemented a vacancy-tracking module to verify and expedite unit turnover. This module reports the status of all units and their various stages of readiness. Asset Mangers can determine unit availability at a glance.



In response to continuing, serious federal budget reductions, PHA's efforts to improve productivity and cost efficiency were heavily emphasized over the past year. Across all departments and levels of the operation, staff engaged in working groups, discussions and detailed analyses designed to identify cost savings and/or productivity-enhancing opportunities. PHA anticipates that these efforts will continue at a rapid pace, especially as they relate to capping soaring utility costs in the scattered site portfolio and elsewhere.

## Productivity and Cost Effectiveness

- The rollout of new state-of-the-art desktop computers has begun. These new computers will process information more than ten times faster than the existing computers. This implementation is geared to increase employee productivity by increasing the processing speed.
- To improve efficiency and employees' ability to quickly access the Internet, PHA implemented a new firewall, Internet security software, enhanced SPAM email filtering, and direct connectivity to the Internet. Access to the Internet is now crisp. PHA has the capacity to accommodate 80 simultaneous remote users without a loss of speed or functionality.
- Reduced total inventory from \$4,272,030 to \$3,443,882.01 for an overall reduction of \$828,148.20 or 19% as compared to the previous fiscal year. The reduction resulted from improved inventory accuracy provided by Peoplesoft PAR Inventory functionality, the sale of excess/obsolete items and staff training.
- Retired 34 trailer rentals used to store excess/obsolete materials resulting in a \$3,230 monthly expense reduction. In addition, the excess materials were sold in accordance with the Excess Materials policy resulting in revenue of approximately \$36,000.
- Implemented Phase II of the Upgrade Office Copier Equipment Program, which entails the deployment of scan to file functionality. Scanned documents are converted to PDF files that can be stored in shared or personal files and emailed, reducing the time to move documents between staff, departments and outside entities. Planned hard dollar equipment cost reduction is \$5,000 - \$7,000 per month; plus further operating cost reductions in the area of interoffice mail distribution and postage.



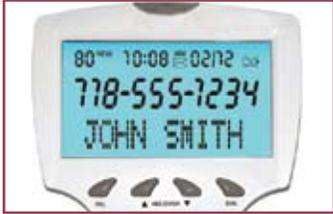
PHA replaced 4,437 incandescent light bulbs with compact fluorescent bulbs. An estimated annual cost savings of over \$32,000 per year will result from this effort.

# Strategic Operating Plan Goal 7

*Improve Program Compliance, Reporting, Performance and Accountability*

# Strategic Operating Plan Goal 8

*Maximize the Use of Technology to Improve Efficiency and Accountability of PHA Operations*



PHA implemented a critical component, Call Parrot, to the IVR integration. Managers are able to monitor incoming calls to ensure agents adhere to compliance and quality standards. The implementation is enriched with comprehensive and user-friendly data mining capabilities including agent ID, caller ID, time, date, and more. This integrated tool is used as a training device to enhance customer service.

## Significant accomplishments related to these goals through MTW Year Seven included:

- As evidence of PHA's outstanding financial management, PHA received an unqualified audit opinion for its financial statements.
- PHA conformed to all required investor and funding source requirements including timely submission of cost certifications for all Low Income Housing Tax Credit sites. These actions illustrate the careful attention PHA pays to conform to regulatory and other funding covenants.
- Independent audits of sample-executed contracts were conducted, resulting in no findings made.
- PHA made substantial progress in readying the Partner Campaign to support tracking of PHA Social Service Partners and to integrate with agency-wide external Correspondence Management tools. It will be used to manage and track relationships with partners to provide excellent services to PHA clients. By linking the partner business plans to marketing campaigns, it improves awareness of all partners that are involved with PHA organized campaigns and their contributions towards the event, allowing PHA to measure each partner's contribution and performance. It also supports greater operational efficiency by creating a communication mechanism between different functional divisions through various PHA campaigns.
- Implemented Enterprise Performance Management (EPM) to provide key business performance indicators via an Executive Dashboard. This implementation simplifies the viewing and tracking performance metrics and provides the infrastructure for Business Process Management (BPM) implementation. It's a multi-disciplinary, cross-functional process that enables improved enterprise performance through alignment, visibility, and collaboration among business units and functional areas. More than just connecting strategy and goals to metrics, analytics and methodology are required to understand which metrics are important and how they should be measured.
- PHA implemented a number of enhancements to its CRM Quality Control review application. Staff can now access client files in CRM to conduct file reviews in both Public Housing and Housing Choice Voucher programs. Using the checklist functionality created in CRM, staff reviewers can determine the accuracy of tenant benefits and applicability of pertinent policies. The CRM continues to produce business-wide reports detailing all housing activities.



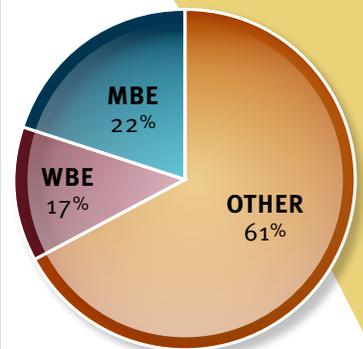
PHA continued to implement an ambitious quality assurance and compliance program throughout the organization, combined with an array of technology initiatives. All program procedures are documented, which facilitates the review and/or audit of program transactions. PHA continued to utilize a sophisticated project management system to track and report on all program initiatives. This system is updated monthly and reviewed by senior management.

- Implemented Accounts Payable vendor database clean-up project to capture updated vendor business and contact information to improve data quality and facilitate the implementation of eProcurement. The project includes the capture of vendor banking information that will enable automated clearinghouse instead of paper check settlement of vendor accounts. Phase I of the project included the top 700 vendors. Phase II of the project includes approximately 1300 A/P vendors who participate in the Small Dollar Purchasing Arena.
- A new Site-Based Quality Assurance Review (SBQAR) process was implemented over the past year, with the goal of reviewing every conventional, scattered site, and PAPMC site over a one-year period. To date, the process has been completed for eight conventional sites, eight scattered sites and five PAPMC sites. The reviews produce compliance reports and findings as appropriate. They are followed up within 30 days to assess progress.



PHA's Quality Assurance Department provided quality control reviews of program files, assisted operating units to assess and re-engineer business practices to promote efficiency, and provided regular monitoring of strategic goals and objectives.

## Efficiency and Accountability



### Working with Minorities

PHA continued its commitment to working with minority and woman-owned businesses. During the past year, PHA awarded 39% of contracts to MBE and WBE firms (22% MBE, 17% WBE), totaling over \$28.2 million.

# Strategic Operating Plan Goal 9

## *Maximize Relationships and Initiatives to Deliver Sound and Effective Services*



PHA has entered into a Memorandum of Agreement with Liberty Resources, Inc., to provide vouchers for 100 disabled LRI clients, including persons transitioning out of nursing homes. State funding is paying for 75 vouchers for two years.

### **Significant accomplishments in this area through MTW Year Seven included:**

- In addition to the \$1.2 billion in capital funds previously secured, an additional \$41.8 million in leveraged financing was raised during the year including \$6,000,000 in state funds, \$22.8 million in LIHTC private equity and \$400,000 in local funds.
- PHA continued to coordinate efforts with the Commonwealth of Pennsylvania to support expanded housing opportunities for seniors and people with disabilities. New initiatives include the Nursing Home Transition initiative, in which PHA provides housing opportunities for persons living in nursing homes who wish to live independently.
- The Commonwealth and PHA are also collaborating to identify funding sources to support assisted living services at new and current PHA developments.
- PHA's social service fundraising efforts resulted in receipt of new grant funds including:
  - \$974,866 from the U.S. Department of Housing and Urban Development to support and expand homeownership opportunities to low-income PHA residents under the Family and Homeownership Program.
  - \$92,000 from the U.S. Department of Health and Human Services Administration to implement an Assets For Independence Homeownership Program designed to provide homeownership opportunities to low and moderate income Philadelphians.
  - \$110,144 from the U.S. Department of Justice to expand services under the Gang Resistance Education and Training Program.
  - \$109,000 for the Philadelphia Corporation for Aging to provide.



Strategic Operating Plan Goal 9 focuses on creating and nurturing partnerships to achieve maximum benefit for PHA residents and program participants. As federal funding support for HCV and public housing declines relative to need, the importance of forging partnerships to support PHA's mission has become even more important to the agency's long-term success.

## Maximize Relationships

- \$150,000 from the U.S. Department of Justice to expand services under the Gang Resistance Education and Training Program.
  - \$109,000 for the Philadelphia Corporation for Aging to provide congregate meals at four PHA senior developments.
  - and, \$1.78 million in HUD grants for FSS, Shelter Plus Care and Congregate Housing Services.
- In an effort to promote quality service and accountability among HCV private property owners, owners have participated in a mandatory orientation program offered by the Institute of Real Estate Management. This is a unique and groundbreaking program that PHA believes results in better service to HCV participants and more responsiveness to community concerns.
  - PHA continued coordination of a nationwide network of MTW Housing Authority partners to promote increased support for public housing financial needs, expansion of MTW to additional cities, and extension of MTW agreements. Periodic group conference calls are held to share critical information and promote shared objectives.
  - PHA submitted 17 disposition applications to permit the transfer of 1,063 scattered site properties to be used, along with other properties assembled by PHA affiliates, community development corporations, and private purchasers/developers, for development of additional rental and homeownership units and to provide sales proceeds to support PHA's scattered site initiatives.



To promote affordable homeownership, PHA continued its highly effective partnerships with major banks including Wachovia Bank, Bank of America, Citizens Bank, Commerce Bank, Sovereign Bank and Wells Fargo. PHA also maintains relationships with 27 certified housing counseling agencies throughout the city of Philadelphia.

# Sources And Amounts Of Funding

## HCV Vouchers

As part of continuing efforts to use HCV vouchers to support neighborhood revitalization and economic mobility, PHA partnered with a range of organizations under its new Unit-Based Subsidy RFP program. This program allows qualified partners to request Housing Choice Vouchers, ACC, or other available PHA funds for the repair, rehabilitation, or construction of new units for neighborhood revitalization efforts. To date PHA has awarded 929 (412 new construction vouchers and 517 rehabilitation vouchers) to 37 voucher qualified partners to support this initiative. Over 646 families now reside in 304 units constructed and 342 units rehabbed under this program.

PHA's operating subsidy was decreased due to public housing authorities nationwide being funded at less than 100% or at 83% for FYE 3/31/07.

Decreased Dwelling Rental Income is the result of two factors: increases in the utility allowances for scattered site residents resulting in a lower rent paid by the scattered site resident and a decrease in the number of occupied units due to demolition and disposition activities

The increase in interest income was due largely to a higher rate of return on investments dictated by market forces.

The Capital Fund is formula driven based on standing units and needs. With fewer PHA standing units and therefore, decreases in the accrual needs and backlog, the resulting grant award contains fewer capital dollars for PHA. The Capital funds were also subject to reductions in the federal appropriations.

Revenue Sources	MTW Yr. 6	MTW Yr. 7
Resident Opportunity and Family Self-Sufficiency Grants	\$575,212	\$350,484
Other Federal Grants	118,045	243,707
Non-Federal Sources: City of Philadelphia, Child Care Food Program, Summer Food Service Program, Job Retention	245,936	186,277
<b>Subtotal</b>	<b>939,192</b>	<b>780,468</b>
Non-MTW Vouchers / Mod Rehab / Special Allocations / Administrative Fee / Interest	15,770,106	10,126,227
<b>Total Revenues</b>	<b>\$16,709,299</b>	<b>\$10,906,695</b>

This table presents the contributions from several sources including the city, state and other federal sources that would not be eligible for consolidation into the MTW Block Grant.



PHA only restates reserves at the end of each fiscal year. As of the fiscal year ending March 31, 2007, PHA's Low Rent Operating Reserve is estimated at \$2.3 million. PHA's operating reserve as of year-end March 31, 2008 will not be available until September 2008. However, as a result of ongoing subsidy reductions, PHA does not anticipate that it will begin the new fiscal year with a reserve balance.

## Moving to Work Funding

Revenue Sources	MTW Yr. 6	MTW Yr. 7
Dwelling Rental Income	\$19,426,341	\$19,000,000
Interest Income	767,168	1,427,601
MTW Housing Choice Voucher	134,864,984	142,666,872
Capital Subsidy including Replacement Housing Factor	75,640,828	71,117,569
Operating Subsidy	94,246,275	91,794,306
<b>Total Revenues</b>	<b>\$324,945,596</b>	<b>\$326,006,348</b>

This table presents the funding streams and amounts received or anticipated by PHA in MTW Year Seven that are eligible for consolidation as the MTW Block Grant.

Revenue Sources	MTW Yr. 6	MTW Yr. 7
Dwelling Rental Income	\$19,426,341	\$19,000,000
Interest Income	1,863,631	1,477,293
HCV Subsidy and Admin Fee	149,538,627	152,743,407
Capital Subsidy including Replacement Housing Factor	75,640,828	71,117,569
Operating Subsidy	94,246,278	91,794,306
Other Grants	363,981	780,468
<b>Total Revenues</b>	<b>\$341,079,683</b>	<b>\$336,913,043</b>

This table presents the combined statement of both funds included in MTW and those funds outside of the MTW Budget sources that would not be eligible for consolidation into the MTW Block Grant.

### A Flexible Agreement

The flexibility of MTW has allowed PHA to more effectively address the critical need for affordable housing in Philadelphia in a variety of new ways, in addition to capital programs. PHA, for example, increased the numbers of families supported through the Housing Choice Voucher (HCV) Program to a total of 17,074 households a year.



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